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Dear Marcus

Response to consultation on proposed changes to the SOR requirements

Thank you for giving us the opportunity to respond to your proposals around the important issue of the continued availability of cash as a method for topping up prepayment meters. Please see below for our responses to each of your questions. This submission is non-confidential and may be published on your website.

Question 1: Do you agree with our proposed approach to monitor, through our Social Obligations Reporting, the availability of cash as a top-up method?

The Citizens Advice Service agrees that monitoring how many people are using cash to top-up their meter will be helpful in understanding the ongoing availability of that payment method as smart meters are rolled out.

However in order to effectively monitor whether consumers continue to have access to a wide range of top-up options, there will need to be a better understanding of the level of continued demand for cash top-ups. It is essential that consumers, who require this payment method, are able to access cash top ups in a safe and practical manner.

The previous proposal to monitor demand for cash top-ups by asking suppliers to report on requests for alternative methods would have helped build a more rounded understanding of the market. This being said, we were concerned that this would still leave consumers unclear about the potential consequences if a change in circumstances meant they subsequently needed to use cash top-ups.

Given this data point was considered insufficient by us for a full understanding on one hand, but too burdensome by some suppliers on the other, it is clear we will need to ultimately look beyond social obligation reporting to gain a full picture of supplier practice in this area.

Ofgem will need to keep the situation under review through other means. The engagement around the SOR that is mentioned in the consultation letter should include the use of other sources such as evidence from the Citizens Advice Consumer Service, as well as the ability to audit supplier practice where there is cause for concern.

This wider engagement with the industry will be more important than ever in helping to ensure that consumers are not left with a prepayment meter that they are unable to top-up.

Question 2: Do you agree with our proposed data points for inclusion in the SOR (on the number of times a supplier's customer base tops up per top-up channel and the number of smart meter consumers on prepayment), the frequency with which we propose to collect them, and the starting point for collecting them?

We accept the revised date for reporting the number of smart meter customers on prepayment mode but stress the importance of ensuring the reporting mechanisms are in place before the number of people potentially affected by these changes grows too large.

We look forward to working with you to ensure customers who rely on cash as a means of topping up their meter are not denied this facility as new methods are brought into the market.

Best regards

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